

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24 and D.T.E. 02-25
Responses to the Department's First Set of Information Requests

Request No. DTE 1-23:

Refer to Schedule MHC-7-15 (Gas) at 1, line 15. Please explain why the fixed lease amount is a negative number.

Response:

The Company's John Fitch Highway service center building is financed via a capital lease. The lease expense is allocated to various plant and expense accounts (including 931 – Rent) based on the use of the building on a square footage basis.

The negative number in fixed lease expense reflects a credit to account 931-01 – Capital Lease Interest Reclass. This credit is part of a journal entry debiting Interest Expense (account 431) and crediting Capital Lease Interest Reclass (account 931). The purpose of the entry is to appropriately classify as interest expense the current month's interest associated with the capital lease.

Schedule MHC-7-15 (Gas) at 1, line 15, inadvertently reflected only the above-referenced credit to account 931 of (\$116,959), not the associated debit of \$68,465 for a net of credit of \$(48,494). This will be adjusted.

Person Responsible: Mark H. Collin